MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2017 / 2018

DBL5028 – COMPANY LAW

(For Diploma Students Only)

12 OCTOBER 2017
02.30 p.m. – 04.30 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **2** pages with 4 questions.
2. Answer all questions.
3. You are required to cite sections and case laws where relevant.
4. Write all your answers in the Answer Booklet provided.

QUESTION 1

a) Spiderman Sdn. Bhd has been formed by Peter and Mary Jane on January 2016. Both of them are the only shareholders of the company. Mary Jane is a daughter to a billionaire in Malaysia meanwhile Peter is only a son to a government servant. Both of them planned to grow their company bigger. Therefore the company took a loan from BSB Bank amounted to RM500 000.00. However, 1 year later the company failed to pay the instalment to the bank for 4 months since the company's profit had dropped tremendously and the company suffered major lost. BSB bank intended to sue Mary Jane because she is one of the shareholder of the company and also a daughter to a billionaire.

Advise BSB Bank on whether they can sue Mary Jane personally when Spiderman Sdn. Bhd. failed to pay their loan.

(15 marks)

b) List down the following:

i. Effects of incorporation based on Section 20 and 21 of Companies Act 2016.

(7 marks)

ii. All **THREE (3)** statutory exceptions to the principle in *Salomon v Salomon & Co (1897).*

(3 marks)

[Total : 25 Marks]

QUESTION 2

a) Section 10 (1) of Companies Act 2016 provides the classification of company in Malaysia. Explain all **THREE (3)** classifications of the companies according to liability of members.

(10 marks)

b) Discuss the following:

i. Holding Company.

(6 marks)

ii. Related Corporation.

(5 marks)

iii. Foreign Company.

(4 marks)

[Total : 25 Marks]

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QUESTION 3

The process by which a company is dissolved is known as winding up or liquidation.

a) Discuss the powers of liquidators in a company.

(8 marks)

b) Explain the following:

i. Procedures for members' voluntary winding up.

(7 marks)

ii. Procedures for creditors' voluntary winding up.

(7 marks)

c) List down any **THREE (3)** grounds for compulsory winding up under Section 465 of Companies Act 2016.

(3 marks)

[Total : 25 Marks]

QUESTION 4

Directors are the officers of the company whom the management of the company is entrusted.

a) TS Sdn. Bhd is a well-known company in Johor. Recently, one of their directors has retired thus the members need to appoint a new director to replace him. One of the members suggested to appoint Harry as the new director. During the general meeting, majority of the members agreed on the appointment. However few days later it come to the knowledge of the members that Harry has been declared bankrupt in 2015 and he never obtained leave from the court.

Advise TS Sdn. Bhd on whether Harry is qualified to be a director.

(15 marks)

b) Discuss the duties of skill, care and diligence of a director in a company.

(10 marks)

[Total : 25 Marks]

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